

# SENATE BILL 652

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CF 2lr2045

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By: **Senators Middleton, Young, Garagiola, Manno, Mathias, and Rosapepe**

Introduced and read first time: February 3, 2012

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Renewable Energy Portfolio Standard – Renewable Energy**  
3 **Credits – Geothermal Heating and Cooling**

4 FOR the purpose of specifying that energy generated from a geothermal heating and  
5 cooling system is eligible for inclusion in meeting the renewable energy portfolio  
6 standard; entitling a certain person or entity to receive a renewable energy  
7 credit under certain circumstances; specifying the method by which energy  
8 generation and consumption shall be measured; requiring geothermal heating  
9 and cooling system installation to comply with certain standards; defining a  
10 certain term; altering the definition of a certain term; and generally relating to  
11 geothermal heating and cooling systems.

12 BY repealing and reenacting, without amendments,  
13 Article – Public Utilities  
14 Section 7–701(a)  
15 Annotated Code of Maryland  
16 (2010 Replacement Volume and 2011 Supplement)

17 BY adding to  
18 Article – Public Utilities  
19 Section 7–701(c–1) and 7–704(h)  
20 Annotated Code of Maryland  
21 (2010 Replacement Volume and 2011 Supplement)

22 BY repealing and reenacting, with amendments,  
23 Article – Public Utilities  
24 Section 7–701 (l)  
25 Annotated Code of Maryland  
26 (2010 Replacement Volume and 2011 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Public Utilities**  
4 7–701.

5 (a) In this subtitle the following words have the meanings indicated.

6 **(C–1) “GEOTHERMAL HEATING AND COOLING SYSTEM” MEANS A SYSTEM**  
7 **THAT:**

8 **(1) EXCHANGES THERMAL ENERGY FROM GROUNDWATER OR A**  
9 **SHALLOW GROUND SOURCE TO GENERATE THERMAL ENERGY THROUGH A**  
10 **GEOTHERMAL HEAT PUMP OR A SYSTEM OF GEOTHERMAL HEAT PUMPS**  
11 **INTERCONNECTED WITH ANY GEOTHERMAL EXTRACTION FACILITY THAT IS:**

12 **(I) A CLOSED LOOP OR A SERIES OF CLOSED LOOP SYSTEMS**  
13 **IN WHICH FLUID IS PERMANENTLY CONFINED WITHIN A PIPE OR TUBING AND**  
14 **DOES NOT COME IN CONTACT WITH THE OUTSIDE ENVIRONMENT; OR**

15 **(II) AN OPEN LOOP SYSTEM IN WHICH GROUND OR SURFACE**  
16 **WATER IS CIRCULATED IN AN ENVIRONMENTALLY SAFE MANNER DIRECTLY**  
17 **INTO THE FACILITY AND RETURNED TO THE SAME AQUIFER OR SURFACE WATER**  
18 **SOURCE;**

19 **(2) MEETS OR EXCEEDS THE CURRENT FEDERAL ENERGY STAR**  
20 **PRODUCT SPECIFICATION STANDARDS;**

21 **(3) REPLACES OR DISPLACES INEFFICIENT SPACE OR WATER**  
22 **HEATING SYSTEMS WHOSE PRIMARY FUEL IS ELECTRICITY OR A NONNATURAL**  
23 **GAS FUEL SOURCE;**

24 **(4) REPLACES OR DISPLACES INEFFICIENT SPACE COOLING**  
25 **SYSTEMS THAT DO NOT MEET FEDERAL ENERGY STAR PRODUCT**  
26 **SPECIFICATION STANDARDS;**

27 **(5) IS MANUFACTURED, INSTALLED, AND OPERATED IN**  
28 **ACCORDANCE WITH APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS;**  
29 **AND**

30 **(6) DOES NOT FEED ELECTRICITY BACK TO THE GRID.**

31 (l) “Tier 1 renewable source” means one or more of the following types of  
32 energy sources:



1                   **(II) LEASES AND OPERATES THE SYSTEM; OR**

2                   **(III) CONTRACTS WITH A THIRD PARTY WHO OWNS AND**  
3 **OPERATES THE SYSTEM.**

4                   **(3) THE TOTAL AMOUNT OF ENERGY GENERATED AND CONSUMED**  
5 **FOR A GEOTHERMAL HEATING AND COOLING SYSTEM SHALL BE MEASURED BY**  
6 **AN ONSITE METER FOR THE SYSTEM'S COEFFICIENT OF PERFORMANCE.**

7                   **(4) A GEOTHERMAL HEATING AND COOLING SYSTEM SHALL BE**  
8 **INSTALLED IN ACCORDANCE WITH APPLICABLE STATE WELL CONSTRUCTION**  
9 **AND LOCAL BUILDING CODE STANDARDS.**

10                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply only  
11 to geothermal heating and cooling systems that are commissioned on or after July 1,  
12 2012.

13                   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 October 1, 2012.